## UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

NEW ENGLAND CARPENTERS HEALTH
BENEFITS FUND; PIRELLI ARMSTRONG
RETIREE MEDICAL BENEFITS TRUST;
TEAMSTERS HEALTH & WELFARE FUND
OF PHILADELPHIA AND VICINITY;
PHILADELPHIA FEDERATION OF
TEACHERS HEALTH AND WELFARE FUND;
DISTRICT COUNCIL 37, AFSCME HEALTH & SECURITY PLAN; JUNE SWAN;
MAUREEN COWIE and BERNARD GORTER,

Plaintiffs,

٧.

FIRST DATABANK, INC., a Missouri corporation, and McKESSON CORPORATION, a Delaware corporation,

Defendants.

Civil Action: 1:05-CV-11148-PBS

Judge Patti B. Saris

### MCKESSON CORPORATION'S FIRST SUPPLEMENT OF THE CLASS CERTIFICATION RECORD

[REDACTED]

Filed 07/06/2007

Pursuant to the Court's instruction at the May 22, 2007 class certification hearing, Defendant McKesson Corporation hereby supplements the class certification record with the following evidence that has been discovered since the class briefing, including evidence presented at the class hearing. (Class Cert. Hr'g Tr. 63:4-65:7, May 22, 2007.) As the Court recognized, discovery on class certification issues is still ongoing—PBMs, other wholesalers, and TPP class members are still producing documents, and key depositions are scheduled to continue through July 31, 2007. McKesson anticipates filing a second supplement to the class certification record as that evidence becomes available.

The documents and deposition testimony contained in the attached exhibits fall into three categories:

- I. DOCUMENTS PERTAINING TO INDIVIDUAL CLASS MEMBERS' EARLY KNOWLEDGE OF THE WAC-AWP SPREAD INCREASES NECESSITATING CLASS MEMBER-BY-CLASS MEMBER INQUIRIES.
  - Exhibit A: An internal email and an attached memo showing that Blue Cross Blue Shield of Massachusetts (BCBSMA MCKESSON 578-580.)
  - Exhibit B: An email and attachment sent from the PBM showing that Blue Shield of California learned of the spread increases at least by July 5, 2002. (BSC 00122-122A.)
  - Exhibit C: An April 5, 2002 email circulated among a wide variety of PBMs, TPPs, and other healthcare organizations in the Northeast showing that those organizations were aware of a spike in AWP trend. In particular the TPP Connecticare noted that "a change in the 'spread' between AWP and Direct or WAC pricing . . . . has been a 'buzz' topic at recent meetings with other peers in the industry." (Connecticare/NEC 00028-29.)

### II. DOCUMENTS PERTAINING TO INDIVIDUAL CLASS MEMBERS' STRATEGIES TO AVOID IMPACT FROM THE SPREAD INCREASES NECESSITATING CLASS MEMBER-BY-CLASS MEMBER INQUIRIES.

- Exhibit D: A Blue Shield of California internal email showing that Blue Shield responded to the AWP increases by (BSC 00119-120.)
- Exhibit E: A Health Net Inc. chart and spreadsheet identifying spread increases for certain drugs in January 2002. Health Net is a TPP covering 6.6 million lives in 27 states. (HNI/NEC 0100-0106.)
- Exhibit F: A Health Net meeting agenda for a February 1, 2002 "Follow-up Meeting [on] AWP – WAC Margin Spread," containing the agenda item "Discuss possible response areas," including renegotiation via "Manufacturer contracting" and "Pharmacy contracting." (HNI/NEC 0093-94.)
- Exhibit G: A February 15, 2002 document titled "AWP vs WAC Margin Growth Action Plan Worksheet" that lists eleven actions Health Net could take to avoid the effects of the spread increases. (HNI/NEC 0092.)
- Exhibit H: A June 6, 2002 chart calculating potential savings to Health Net by adopting other publishers' AWP. (HNI/NEC 0064.)
- Exhibit I: A June 12, 2002 Health Net email assessing whether Health Net's reimbursement contracts with various pharmacies allow it to switch AWP pricing sources from FDB to "Micromedex" (Redbook), thereby avoiding the spread increases. (HNI/NEC 0086-87.)

### III. DEPOSITION TESTIMONY PERTAINING TO THE EFFECTIVENESS OF INDIVIDUAL CLASS MEMBERS' REACTIONS TO THE SPREAD INCREASES.

Exhibit J: Excerpts from the deposition testimony of Frank Scorpiniti, on behalf of Longs Drug Stores, testifying that "[a]ggressive reduction of reimbursement rates from managed care have driven the downward trend [in pharmacy profit margins on

prescription drugs] for the industry and for Longs" throughout the period from 2000 to the present. (Scorpiniti Dep. 32:17-34:17; 42:23-43:17, May 17, 2007.)

Respectfully submitted,

McKesson Corporation By its attorneys:

/s/ Paul Flum

Melvin R. Goldman (pro hac vice) Lori A. Schechter (pro hac vice) Paul Flum (pro hac vice) Tiffany Cheung (pro hac vice) Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482

Telephone: (415) 268-7000 Facsimile: (415) 268-7522

Dated: July 6, 2007

John Kiernan Nicole Johnson Bonner Kiernan Trebach & Crociata One Liberty Square Boston, MA 02109 Telephone: (617) 426-3900

Facsimile: (617) 426-0380

### **CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the above document was served upon the attorney of record for each other party through the Court's electronic filing service on July 6, 2007.

/s/ Paul Flum
Paul Flum

## Exhibit A

## Filed Under Seal

## **Exhibit B**

Case 1:05-cv-11148-PBS Document 282-3 Filed 07/06/2007 Page 2 of 3

Message

Page 1 of 1

### Stalker, Nancy

From:

Naegle, Debby

Sent:

Thursday, August 01, 2002 11:24 AM

To:

Stalker, Nancy

Subject: FW: Impact of AWP/WAC spread increase

For review

-Original Message-

Sent: Friday, July 05, 2002 10:02 AM To: Naegle, Debby

Cc: Torgier, Terry

Subject: Impact of AWP/WAC spread increase

The attached Word document describes the methods used to identify the impact of the increased AWP/WAC spread in 2002. The Excel document has two tabs: the 1st tab lays out the calculation of a "corrected" AWP; the 2nd tab shows the dollar impact of the actual AWP vs the corrected AWP.

Please let me know if you have any questions.



### Method for calculating impact of AWP/WAC spread



## **Exhibit C**

### Dockett, Sonya

From:

Dan Harris

Sent: To:

Monday, April 08, 2002 10:24 AM Jeffrey Casberg; Craig Neumon

Cc:

Subject:

Bluestein, Paul: Alex Krikorian RE: Interesting AWP analysis

How does this compare with '01 over '00, or '00 over '99?

-Original Message-

From:

**Jeffrey Casberg** 

Sent: To:

Sunday, April 07, 2002 10:45 PM

Cc:

Dan Harris; Craig Neumon Paul Bluestein; Alex Krikorian

Subject:

FW: Interesting AWP analysis

Below is a off shoot of the topic we have been discussing...an unusual increase in RX AWP due to in part a change in the "spread" between AWP and Direct or WAC pricing.

Confusing, but a real issue.

It has been a "buzz" topic at recent meetings with other peers in the industry.

Bottom line is that AWP prices have increased recently at a increased rate to what we have experienced in recent years....

Jeff

Original Message

From:

dcalabre@caregroup.harvard.edu [SMTP:dcalabre@caregroup.harvard.edu]

Sent:

Friday, April 05, 2002 4:38 PM

To:

Cc:

magresti@caregroup.harvard.edu; sbalding@caregroup.harvard.edu; rbimbau@caregroup.harvard.edu; roderick.boone@lahey.org; buckle@fmlypractice.com; jbusch@caregroup.harvard.edu; christopher.ciano@lahey.org; sdavids1@caregroup.harvard.edu; sharris@fenwayhealth.org; jheffem@caregroup.harvard.edu; shochber@caregroup.harvard.edu; howefamily@rcn.com; emk26 @attbi.com; leslie.m.mitcheil@lahey.org; gmuise@caregroup.harvard.edu; kmukamal@caregroup.harvard.edu;

jniloff@caregroup.harvard.edu; wperrell@caregroup.harvard.edu; mrees@caregroup.harvard.edu; lroscoe@caregroup.harvard.edu; mselinge@caregroup.harvard.edu; pamela.s.sherry@lahey.org; kvergo@caregroup.harvard.edu; jzimmer@caregroup.harvard.edu

joe\_gerstein@tufts-health.com; joseph\_raduazzo@tufts-health.com; ralph\_blair@hphc.org; gary.shramek@bcbsma.com;

James.Fanale@bcbsma.com; andrea\_grande@harvardpilgrim.org; william\_cardarelli@vmed.org; rigilkin@cvty.com; budsweet@univerahealthcare.org; borland@oxhp.com; gary.kerr@bhs.org; gtadlock@bcbs-ga.com; jrogers2@pchi.partners.org; jason.twombly@anthem.com; Jeffrey Casberg; jsalvon@hne.com; james.demosthenes@cigna.com; jim\_kenney@hphc.org; joseph\_sinopoli@harvardpilgrim.org; jaforismo@rihealthsystems.com; julee.oh@anthem.com; Kelly\_Corrigan@tufts-health.com; kijohnson@dc.com; fisle01@fallon-clinic.com; lisa-franchi@harvardpilgrim.org; marty.mattei@coaccess.com;

rnjdillon@earthlink.net; monalisa.patnaik@bcbsma.com; nminkoff@partners.org; ndevrta@partners.org; reipa01@fallon-clinic.com;

purick@thehealthplan.com; pavargas@pharmacare.com; phanus@cha-health.com; rmercure@pharmacare.com; rslenza@mediaone.net; rpbrough@pharmacare.com; amy\_vachon@vmed.org; pabourjally@lifespan.org; T.Morris3@GTE.NET

Subject:

Interesting AWP analysis

Recently complete the attached analysis (with some help from friends... thanks Bud) which examines drug company AWP price increases from Jan '01 to Jan '02. As you can see from this analysis, the weighted average increase in AWP for our own organization's top 200 most widely prescribed single-source branded drugs was a whopping 6.65% over the past year. While most pharmaceutical companies continue to claim that their annual price increases overall are in line with the Consumer Pricing Index (usually around 2.5%), this analysis clearly demonstrates that such claims are by no means accurate when you weight the average price increase in accordance with comparative \$ volume of product usage.

Of particular note on this report are the following agents whose pricing increases will have the most significant impact for our organization in

1) Lipitor 10mg (our single most commonly prescribed branded agent ~ \$3.8 million in utilization in '01) - up an incredible 13.5%

2) Lipitor 20mg - up 7.3%

- 3) Prilosec 20mg (still not available generically approx \$5 million in utilization in '01) up 7.3%
- 4) Wellbutrin SR (\$2 million drug) up 8.9%
- 5) Allegra 60mg (\$1.5 million drug) up 8.0%

I think it is important that we all keep these numbers clearly in mind when performing budgeting, trending and formulary operational activities in '02.

Please let me know if you have any questions. Hope you find this helpful.

DC

<<AWPIncreasesTop200Drugs1\_01vs1\_02.xls>>

David Calabrese, R.Ph, MHP Director of Pharmacy Provider Service Network 1135 Tremont St; 8th Floor Boston, MA 02120 Ph: 617-754-8820 Fx: 509-355-1154

E-mail: dcalabre@caregroup.harvard.edu

<< File: AWPIncreasesTop200Drugs1\_01vs1\_02.xls >>

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## **Exhibit D**

Supplication From: Sent: To: Cc: Subject:	Stalker, Nancy Thursday, December 11, 2003 10:33 PM Wood, Ken; Kunz, Haidi Book, Eric; Holroyd, Ron; Naegle, Debby; Markovich, Paul RE: Pharmacy claims AWP pricing
DOS 12/9/0 savings est concerns hi plan,	e in Rx claims pricing logic as described below was implemented 12/8/03. A report for 3 shows a savings across all Rx claims of the total or this shows that the imate was accurate.  Any ave been addressed by our Pharmacy Network Coordinator. Another not to be named also implemented this change on 12/8 with the lit resulted in the network issues for them.
	as implemented by a week earlier than we had requested, so despite our initial ey may have done us a favor.
We will kee	p you updated as to the continued rollout and acceptance by the pharmacy network.
Thanks, Na	ancy
From: Sent: To: Cc: Subject: As disc source proces negotia drugs.	Staker, Nancy Monday, December 01, 2003 3:05 PM Wood, Kerr, Kunz, Heidi Book, Eric; Hotroyd, Ron; Naegle, Debby Pharmacy claims AWP pricing  sussed at the HCS budget meeting, we will be implementing an additional pricing for AWP (average wholesale price) that will be used by s BSC pharmacy benefit retail claims. (The BSC pharmacy network contract rates are sted by BSC Pharmacy Services and are based on a discount from AWP for brand ing are some of the essential highlights of this change:



Please let me know if you need further information or have any questions.

Thanks, Nancy

Nancy Stalker, Pharm.D.
Vice President, Pharmacy Services
Blue Shield of California
415-229-5770
415-229-6011 fax
nancy.stalker@blueshieldca.com

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## **Exhibit E**

# incremental Cost due To Increased WAC / AWP Margins Price Increase Analysis

Comparison of Pricing - 12/31/01 vs. 1/25/02 Selected Manufacturers

MFG10 ZENECA INC Total WYETH-AYER Tota PARKE,DAVI Total P&G PHARM. Total NOVARTIS Total GLAXOSMITH Total GLAXO PHAR Total CERENEX PH Total BMS PRIMAR Total BERLEX LAB Total ASTRA PHAR Total TAP PHARM, Total Based on Q4 2001 Unit Utilization Cost due to Margin Increase Incremental (Decremental) Annualized\*\*\*

See attached for detailed Calculations

**Grand Total** 

AWP Cost, before contracted pharmacy discount.

\*\* HMO Utilization only (Excludes CHAMPUS)

\*\*\* Q4 incremental cost x 4

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Comparison of WAC / AWP Pricing and Margin	
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	3	21.0	2.607	2.562	3,886	3.686	-1.06 6	1:089	1 089	0.007	0.007	0./1/	0./17	1.423	0.812	1.380	1.672	0.610	0.610	0.376	8.727	6.169	0.368	0.510	0.375	0.373	0.696	0.3/4	1,83/	6.04/	3,887	0.675	1.143	0.915	1.595	2.417	0.941	1.314	2.402	1.484	1,494	1.420	1.420	1.786	: 7 <b>8</b> 6	- È	1.492	1.868	AWP		1/2001	
	0.12217	3.47722	2.22489	2,22489	3.16566	3.16533	0.91511	0.91511	0.0010	0.7778	0.7178	0.57368	0.5737	1.18094	0.64946	1.1041	1.3379	0.4078	0.40787	0.3006	7.7812	1.1364	0.2947	0.408	0.3	0.29853	0.0404	67820	6.3498	6.4378	3.1173	0.6397	1.5703	0.73198	1.2763	1.93333	0.7528	3.50	1.8615	1.1955	1.18546	1,13567	1.13567	1.437	1.43689	1934	1 19533	1.49433	WAC		At 1/25/2002	-
3400	0.102/2	4.34656	2,78111	2.78111	3.9444	3 2 4	114380	1.14308	0./201	0.8649	0.8649	0.69122	0.6913	1.42292	0.78254	1,3303	1.612	0.4912	0.49147	0.3622	9,3756	4 9828	0.3551	0.4918	0.3614	0.073	0.00093	0.3589	7.6509	7.757	3,756	0.6503	1.9629	0.88194	1.53782	2.32944	0.0010	4.2545	2.36333	1.4405	1.4404	1.36633	1.36833	1.73139	1.73133	1.44033	146033	20023	AWP		V2002	
	0.0%	5.0%	6.7%	9.0%	7.0%	7.0%	7.0%	7.07	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	200	200	0.0	200	, O.O.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0,0%	0.0%	0.0%	200	) C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	) (2) (4)	200		×	Design of the second	Š	
	3.BX	5.0%	6.7%	9.0% %	7.07	700	7.0%	7.0%	3.6%	-3.6%	3.6%	-3.6%	-3.6%	0.0%	3.6%	3.8%	36%	3.6%	200	3 6 6	1 de 1	2.0%	2.0%		3.0%	3.6%	-3.6%	-3.8%	3.6%	-3,6%	3.6%	3.6%	71,8%	3.8%	ည် (၁) (၁) (၁)	10.0% 10.0%		-3.6%	-3.6%	-3.8%	-3.6%	3.6%	-3.6%	3.6%	200	ان دا در در ا	, c		*	TANK	<b>A</b>	
	4%	8	2	2 5	2 %		, V	2	4%	4	<b>*</b>	¥	¥ .	9	¥ ;	1 2 3	1 4 6 8	k 1	k 3	7 2	<u>.</u> .	4 %	i i	4.	<u></u>	<u>,</u>	*	*	4%	4%	<u>.</u> 4	<u>.</u>	72%	ا <u>د</u> د مح	1 4 2 3	4 4	*	4%	4%	<u>4</u> %	¥ %	<u>.</u>	<u>.</u> %	<u>چ</u> ۽	4 %	4.8	*	•	Variance [		•	•
	1.205	1.250	1.250	1.280	1250	1.250	1,250	1.250	1,250	1.250	1.250	1,260	1.250	1.205	1.250	1 2 2 2	1.400	1 200		2000	1,200	1.250	1.250	1,260	1.250	1.250	1.250	1.260	1.250	1.250	1.250	1 250	0.728	1.250	1.200	1.250	1.260	1.250	1.250	1.250	1.260	1.250	1.250	1.250	1.250	1,250	1.250		WAC.	12/31/2001	<u>}</u>	
1.200		1,250	1260	1.250	1.250	1.250	1.250	1.250	1.205	1 205	1 206	1 205	205	202	200	200	200	1.205	.205	1.206	1.206	205	1.206	1.205	1.205	1.205	1.205	1.205	1,205	1.205	1.205	205	250	1200	1.205	1.205	1.205	1.205	205	205	205	1.205	1205	200	1.205	1.205	1,205	ł	WAC /	1/25/2002	≱	
.**																				•																													Cost due to Margin increase	(Decremental)	Incremental	
																							٠				H	iGl	iL'	7 0	;Ot	VF I	DE	NT SS	1A)	L					••					٠						

USDC-DIST, MASS, NO. 05-CV-11148-PBS

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•	L	迃	L	STAND OVAL	L	Ì		GLAXO PHAR V		1	1		1	GLAXO PHAR			GLAXO PHAR			GLAXO PHAR	L	GLAXO PHAR	GLAXO PHAR	$\perp$	L	L	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	GLAXO PHAR	CERENEX PH Tota	CERENEX PH	1	BMS PRIMAR	BMS PRIMAR	BMS PRIMAR	BMS PRIMAR	BMS PRIMAR	BMS PRIMAR	BMS PRIMAR	MFG10	
	BECONASE		CYBAN		MAGEN	AGEN		2	Ì		7	HINGUANINE	RETROVIR	RETROVIR	RETROVIR	NAVELBINE	MYLERAN	MEPRON	MEPRON	LAMICTAL	LAMICTAL	LAMICTAL	LAMICTAL	LAMICTA)	EPIVIR HBV	EPIVIR	EPMR	DARABBIN	ALKERAN	AGENERASE	AGENERASE	ADVAIR DISKUS	ADVAIR DISKUS	ADVAIR DISKUS	ADVAIR DISKUS	(a)	MITREX	Total	TEQUIN	TEQUIN	HOUN THE	I EQUIN	SERZONE	SERZONE	SERVINE	BZ.	
	00173046800	,	00173055801	00173055802	00173066101	00173086400	00173013555	00173094765	00173000302	001/3083358	00173068100	00173088025	00173050100	00173010955	00173011315	00173065644	00173071326	00173066518	00173083636	00173064265	00173083302	00173064460	00173084360	00173052600	00173068200	00173047001	00173047100	00173058600	00173004536	00173087200	00173069600	00173069500	00173069700	00173069602	00173089702	001/3045900	00173045003		00015111720	00015117780	00015117719	00016117760	00087003331	00087004131		5	
		1.		•.1				7	T			1	7		1 1			1	T~7			· y																							eumo	Q4 2001 Unit	
	3,575 4,290	1.684	Ť	0.410	2000	1.004	T	3.013 3.616	П	٦	_	3.709 4.55	1.048 1.868	T	H	76.400 91.680	2.055 3.185		1.449 1.739	2.044 2.453	1 926 2.702	2,148 2,578		1.820 2.184	3.975 4.770	0.265 0.318	П	8,620 10,344	3 007 1.388		H	1.487 1.784		H	3.733 4.479	13,339 16,007	13.339 16.007	5.823 8.52	6,823 8,528	П		6.829 A 529	1.159 1.44	1.181 1.478	WAC AWP		At 12/31/2001
	3,89701	1.4865	1,4665		_						14.7995	3.82367	1.6412	0.16413	2101	83 847	2.81386	2.6799	1.5074	2.099	2.45433	2,3416	2.0773	1 9838			<u>-</u> .	2.087		_	1.88217	<u>.</u> N		2.15071			7 13 73880	6.8227		·	0.63786		-	6 1.28733	WAC	-	At 1/25/2002
	4.87184		j.83317 ·		0.46517 6	1.63317 4					4.022				2.6265	•			1.8842	2,6238	3.06783	2.92683	2.5966	9.26733	5.26733	0.36117	0.5649	2.6088	1.63238	0.51077	2.35267	3.234	3.3175	2.68821		17,17333	47 47000	8,1886	a, 1886	6.18867	7 84714	1.57983	1.55087	1.60917	AWP	1	12002
4.0.0	•	4.6%	4.5%	0.0%	6.0%	4.5%		7.0%	•		4.0%	5,0%	0.0%	000	7 9.4 2 3.	4.0%	6,0% *	A 40	9.0%	9.0%	8.0%	90.0	\$0.9 \$0.9 \$	0.0%	6.0%	6.0%	8.0%	4.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.0%	:	0.0%	0.00	2 6	200%	8.0%	7 9%	9	*	WAC	
3.6%		300	8.8%	0.4%	0.4%	8.9% **	8.9%	11.0%	11.5%	10.4%	8.3%	10.4%	10.4%	10.4% 10.4%	14.0%	8,3%	Ö.4.3	9,33	13,5%	13.5%	13.5%	13.6%	13.5%	10.4%	10.4%	10.4%	10.4%	8.3%	10.4%	10.4%	4.2%	4.2%	4 .2 % 2 %	4.2%		7.3%		, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		.02	8.0%	7.0%		% % % % % % % % % % % % % % % % % % %	AWP	
8	:	2 3	2	<b>.</b>	Ř ;	e i	t 4	× 50 %	*	*	4%	*	* * * *	* *	3%	*	4 4 2 2	*	5%	5 % 3 %		e s	5%	*	* *	2 %	<b>%</b>	Ŷ.	4 % % %	4 4 8 8	<b>4</b>	4 2	4 %	*	*	ž	į	2 % F T	¥ ×		* T	9	9 9	₹ .	Variance		
1.200	1.400	1.200	3 8	1 2 2 2	3 8	3 2	3 2	1.200	1.200	1.200	1.200	1.200	320	1.200	1.200	1 200	1.200	1,200	1 200	1 200	2 2 2	1.200	1.200	1,200	200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	700	1,260	1.250	1.250	1.250	1.260	1,200		WAC/	12/31/2001	A
1.250	1.200	1.250	1,200	7,250	200	1.250	1.250	1.260	1.250	1,260	1.250	1.280	1.250	1.250	1.250	1 240	1,250	1.250	1,250	1250	1.260	1.250	1.250	1.250	1.250	1.250	1.250	1,250	1.250	1,250	1.250	1250	1,250	1,250 ·	1.250	1,250	1.60	1.20	1.200	1.200	1.200	1 250	1.250	L	WAC /	N	2
																																												San The Canada	Cost due to	(Decremental)	

Price Inc — e Analysis Comparison of WAC / AWP Pricing and Margin

HIGHLY CONFIDENTIAL USDC-DIST, MASS. NO. 95-CV-11148-PBS

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Comparison of WAC J AWP Pricing and Margin	

PARKE DAVI		П		$\perp$	L			Į.					ľ	MOTH DAG	PAG PHARM	PEG POWER.	PRO PROM	TAG THARM	P&G PHARM.	P&G PHARM.	NOVARTIS Total	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	STANON	NOVAKTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	NOVARTIS	- 6		HIMSOXAJO	GLAXOSMITH	GI AVORUS.	MFG10		
ACCURETIC			ACCUPRIL	ACCUPANT	ACCUPRIL	ACCUPRIL	ACCUPRIL		MACRODANTIN	MACRODANTIN	MACROPANTIN	MACCOCAMINA	MACCONIT	CONCRE	DANTRIUM	DANTRIUM	DANTRIUM	ASACOL	ACTONEL	ACTOMEL		TRILEPTAL	TRILEPTAL	TRILEPTAL	RUSPTAL	TOUR BOTAL	SIARLIX	STARLIX	SANDOSTATIN LAR	SANDOSTATIN	SANDOSTATIN	SANDOSTATIN	SANDOSTATIN	SANDOSTATIN	Canion.	LAMISIL	COMBIPATCH	COMBIPATCH	CLOZARIL	CLOZARIL	CLOZARIL	CATAFLAM	CAFERGOT	CAREBOOT	Total	FLOWASE C	BECONASE		BN	: •	:
00071022008	00071022200	00071043228	00071083623	00071052723	00071053040	00071053240	00071052740	00/0004100	000000000000000000000000000000000000000	0014900000	00149000867	00149071001	00149040680	00149040580	00149003005	00149003105	00140003306	00148075202	00148047101	00149047001	00 (6600 1000	0007803300	00078033603	000/8033808	00078033606	00078033706	00078035205	00078035105			00078018325	00078018203	00078018408	00078017918	00078017905	00078032882	00078037746	00078037845	00078012705	00078012808	0007801010101	00070000000	000780034800		007/3046801	00173038879	00173033802	NO.			
			7				-			<b>Y</b>																																						Munio	Q4 2001 Unit		
	0.874 1.049	T	П	0.874 1.049	0.874 1.049	1,049	Γ		0.859 1.031			٦	4.637 6.664	1	0.791	†	0,770 0,852	Ť	12,209 14,746	Τ	1.409 1.891	П	0.772 0.926	П	0.810 0,972	1.480 1.778	Т	777	┰	1	Τ-	12.657 15.068		6.958 8.360	1	2012 3.44	T	T	↾	3.050 3.660	1.708 2.050		П	٦	٦	1.718 2.063	7	WAC AWP		At 12/31/2001	
0.90033		_		0.90044	0.9008	0,8006		0.6654	0.8762	1.4881	1 48804	1 5071	4 73987	3 38647	1.208	1.5025	0.7243	1.79533	12.85733		1. <b>484</b> 2	2.6911	0,8018	2.8256	0.8418	1 6373	0.800	1931.95	140,002	28,452	66,5676	13,7995	7.1145	7.23667	7 3947	3,6226	3,70917	3.1889	1,2231	3.1680	1.843	6.51417	0.8549		3.06563	1.874	271905	WAC		At 1/28/2002	-
1.12533	1.12556		1,12556	1.1200	1.1268	1,1268		0.8318	1.0953	1 8801	4 :	1 2 2 2 1	N. 4040	1.000	1.51	1.8781	0.8054	2.24433	16.82167		1.8303	3,3639	0023	3.530	1.0523	1,04	1.001	2414.94	175.002	35,500	83,197	17.2495	8.893	90494	2.71333	4.52833	4.63667	3.9611	1.5289	3. <b>9611</b>	2.3038	6.8925	1.0686	0,0000	A ROSE	0 240A	2000	AWP		2002	
3.0%			30%			3.0%	1	20%	200	2.5%	20%	2,0%	2.0%	2.0%	2.0%	2.0%	2.0%	3,0%	3.0%	1,070	3 6 %	302	2 S S S S S S S S S S S S S S S S S S S	0 to 0	3.9%	4.0%	4.0%	3.9%	9.8%	9.8%	9.9%	9 4 2 4 3	2 4 6 G	4.0%	7.0%	3.5%	3.5%	3.9%	3.9%	3.0%	7.9%	7.04	7	3,078	2 2	%0%	è			C 454	
7.3% 7.3% 7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	2	3 6 2 3 2 3	9.03	6.3%	6.3%	6.3%	6.2%	6.3%	6.2%	6.2%	6.3%	7.3%	7.3%	9	700	2 C C	2.2%	0.2%	8.2%	8.3%	8.3%	3.9%	14.5%	14.5%	14.0%	4 .0 % 2 %	0.5%	0,3 2,3 2,4	12.4%	7.8%	7.7%	82.2	8.2%	200	19.49	10.07	70%	1.3%	13.0%	13.5%		% % A	AVV	j	
*	\$	4 ×	*	*	*	2	*	* *	**	8	*	<b>4%</b>	<b>4%</b>	4%	*	<b>*</b>	\$	* :	<u>*</u>	4%	* *	* *	*	%	4%	. 4%	<b>4</b>	Ç.	On C	л с Р Э	n u F 3	, o	*	*	4%	*	<b>*</b>	<b>*</b> 2	<b>2</b> 4	¥ %	÷ 3	×	2	4%	5%	5%	,	Vertance		_	
1.200 1.200 1.200	1.200	128	1200	1.200	1,200	3	1.200	1.200	1,200	1.200	1.200	1.200	1.20 200	1.200	1200	1200	1 2 2	3 6	3	1.200	1.200	200	1.200	1.200	1.200	1.200	200	250	3 8	3 5	200	200	1.200	200	1.200	200	201	3 8	3 2	200	1.280	1.260		1,200	1.200	1.200		WAC /	12/31/2001	≱	
1.250 1.250 1.250	1.250	1.250	1.250	1.260	1260	4 27	1.250	1.250	1.250	1.250	1.250	1,250	1.250	1 250	380	1 250	250		2	1.260	1.250	1.260	1.250	. 1.250	250	1,250	1.250	1.200	1,250	1.250	1.250	1.250	1.250	1.250	1.250	1 250	1.200	1.280	1.260	1.250	1.260	1.250		1.250	1.260	1.250	L	<b>₹</b>	1/26/2002	ž	
								•																																							Same and the same	Cost due to	(Decremental)	incremental	

•			
	Comparison of YMC / AWP Pricing and Margin	Comparison of MAO : : in Direction	

	WYETH-AYER Total		PREVPAC	İ	TAP PHARM PREVACIO 00300304619	PREVACID		PREVACIO	LUPRON DEPOT	PARKE DAVI TOTAL COOT 1023724	ZABONIN	NI KOSIAI	L	DABLE DATE NITROSTAT 00071041724	NITROSTAT		NEURONTIN .	NEURONTIN	DAVI		PARKE, DAVI NEURONTIN DOOT 1080340	NEGRONIN	NAROL	$\perp$	PARKE DAVI LOESTRIN FE 00071091748		LOESTRIN		LOESTRIN		LIPTOR	PARKE DAVI LIPITOR 00071016729		LPTOR		TEMPK 1/6		ESTROSTEP	DILANTIN	0		PARKE DAVI		DILANTIN		BENADRYL		NDC	•	
								2			1	7		7	T	T	T	7	T						T	T	7	T			Ť	T					<u></u>	T		γ	L1			<b>-</b>				Volume	04 2001 Unit	
	2.610 3.263	0.677	3.464 4.144	П	3.454 4.144		3.388 4.067	+=	П	0.767 0.945	0.173 0.207	0.162 0.195	Ť	0.075	0.000	T	T	2.035 2.444	T		П	0.421 0.505	П	T	0.857 1.148	T	T	1,276 1,53	П	1	2.820 3.480	3.498	T	П	0.681 0.817	7	0 048	†	П	0.208 0.249		1	0.268 0.307	1	0.814 0.977	1	Ì	WAC AWP		At 12/31/2001
•	2.61	16,22	3.5642	٠,	3.58473			1284,57		0.8407	0.1070					-	٠	<u></u>						1.29164			1	٠.		1 84744			٠	·1.		0.5470/	-!-	٠	_			0 1302		_1_	3 .			WAC		Al 1/25/2002
	3.132 O	20.275 3	٠		4.37216 3		_	1665.91		_			_	_								0.01100	1 81493	1,195	1.19801	1.1846	1.57933	1.59467	1.18454	3.3/333	3,64387	3,64387	3.542	2.4249	0.02807	7.1040	1.18454	0.2988	0.29871	0.2871	0.1030 0.267A	0.3296	0.3789	0.9949	1.018	1.864		AWP :		2000
	0.0% -4.0%	3.2% 5.3%	-	3.2% 7.5%		3.2% 7.5%		3.2% n nex	3.0% 7.3%						3.0% 7.3%						30%	Ī		-				0.0%				•		9.0% 13					20 C	•			-			3.0%		Increase .increase	WAC AV	
	<b>L</b>	·,·	4%			•			% 4%	-		× 4×				4.			7.38								4.2%	426			•	•		13.0%	•	-		7.3% 4%			_					7.2% 4%	10100000	_	AWP-	
1.400	<b>.</b>	1.225	1.200	1.200	1.200	1200	1.250	,	1.200	1,200	1,200	1,200	1.200	1.200	1 200	3 8	32	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	200	1200	1.200		1.200				_		_		1,200			_	: _			1.200		Γ		12/31/2001	A
1.200		1.286 2.286	1,280	1.250	1.250	1 250	1,211	•	1.260	1.250	1.250	1.250	1260	1 2 2 2 2	200	1.260	1.250	1.250	1 260	1.250	1.250	1.250	1.250	1,250	1.250	1280	1.250	1.250	1.280	1.250	280	3.200	1.250	1.250	1.250	1.250	1 280	1.250	1.250	1.250	1.260	1.250	1.250	1.250	1.250	_	L		<u>Ş</u>	<b>A</b>
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## Exhibit F



Friday, February 1st, 2002 Health Net Pharmacy Operations Follow-up Meeting AWP - WAC Margin Spread

### Agenda/Talking Points:

- AWP/WAC pricing How is it determined? I.
- II. Discuss possible response areas:
  - Manufacturer Contracting
    - Pharmacy Contracting/
    - **MEDISPAN?**
- Ш. Identify further analysis needed to confirm impact
- IV. **Next Steps**

Re-state issue

Need to understand what drove this, and if we have any recourse to reverse/change the action?

An I Looking at this correctly?

Here is what I know is needed already:

- I reviewed 9400 vs 9201 No import
- Go back, quarter by quarter in 2001; identify/quantify previous margin increases
- Need to identify BUDGET IMPACT
- Re-evaluate this January by considering all/large sample of pharma companies 80/10
- Monitor 20% manufacturers Quantify Potential

Explore retail contracts to determine ability to adjust reimbursement rate

Explore atility to pursue Medispon?

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## **Exhibit G**

### AWP vs WAC Margin Growth **Action Plan Worksheet**

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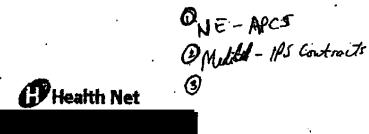
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Contact Medispan; inquire how changes are made	N. Hanson	Complete. Medispan claims that prices are set based on "surveys of wholesalers."  Documentation manuals indicate that initial AWP's come from Pharma; also say they have an "automated system" for updating based on WAC-AWP percentage spread.
2. Contact targeted Pharma and request clarification on why changes are occurring	B. Hinshaw	Complete. Responses vary:  Some claim that "they set their AWP." S  Some do not even suggest an AWP
Contact Pharma and request additional discounts to offset cost increase to Health Net.	B. Hinshaw	<ul> <li>Abbott has stated "they will make it right."</li> <li>No other companies seem compelled to take action.</li> <li>The issue has not been pushed, yet.</li> </ul>
· RE	DACTED	•
<b>i</b>		
<ul> <li>5. Perform further financial analysis to Determine:</li> <li>Look at larger sample of manufacturers (Jan 2002 vs. Dec 2001)</li> <li>Did this occur in prior years?</li> <li>If did occur in prior years, measure scope and timing</li> </ul>	M. Baca	Determined that issue has been ongoing in 2000 and 2001. Impact of current price increases, however, is more significant and has larger financial impact than prior two years, combined (see separate worksheets).
<ol> <li>Compare Medispan pricing to 1<sup>st</sup> Databank. If variances exist, measure scope/impact based on utilization.</li> </ol>	N. Hanson/L. Bennett	Complete. Analysis based on Q4'01 unit volume indicates some variances. Overall impact is low (\$54k based on Q4 volume).
<ol> <li>Contact Redbook and inquire about cost/feasibility of a "one-time" download of their pricing file.</li> </ol>	N. Hanson	Completed. They are sending sample program with curent file.
Compare Redbook pricing to Medispan pricing; if variances exist, measure scope/impact based on utilization	M. Baca/N. Hanson	Waiting for arrival of # 6, above
<ol> <li>Review Pharmacy provider contracts.         Assess ability to adjust AWP and/or AWP source (Redbook vs. Medispan vs. 1<sup>st</sup> Databank)     </li> </ol>	N. Hanson/S. Ing	Except for Arizona, AWP source is not indicated in contracts.
·	REDA	ACTED
	·	
<ol> <li>Explore re-contracting with Retail/Mail         Order network to reimburse based on "WAC+" basis rather than traditional "AWP —"     </li> </ol>	ing/Wert	Will discuss with Walgreens at scheduled meeting (Eucoday, Feb 19 <sup>th</sup> ?)  Thus RS2 <sup>1</sup> 2C
12.	1	HIGHLY CONFIDENTIAL

Shall we growthy by Plan?

USDC-DIST. MASS. NO. 05-CY-11148-PBS

## **Exhibit H**



Cost Benefit Summary \$\footnote{S}\$'s in thousands.

**Anualized** Quarterly **Estimated Ingredient Cost Savings:** (1) AWP Savings Less Pharmacy Discount @ Net Potlential Savings Estimated Incremental Operating Costs: Estimated Drug File Costs (Incremental Only) (2) First Databank (3) Medispan (4) Micromedex Estimated Additional APCS fees TE to Manage Drug File One Analyst Ben Load) Infraetructure Costs for FTE (PC/etc) **Total Operating Costs Estimated Financial Benefit** Net Operating Benefit (Loss) Development Costs?

- (1) See attached for Detailed Calculation
- (2) Assume no Incremental Cost Will not be used (same as Medispan)
- (3) Assume no Incremental Cost Already utilized by APCS
- (4) Annual Contract

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Confidential Page 1 of 1

## **Exhibit I**

**Hed Hanson** 

To: John Sivori

06/12/2002 04:45 PM

cc: Michael Baca, Virginia White, Cathy J Pirolo/R11/GOV/FHS@FHS

Subject: AWP

John.

I wanted to update you on the issues for sending APCS a Micromedex AWP to price our claims.

- 1. Micromedex is used by NPA for claims processing. Although NPA isn't a major PMB, they are a significant player in the Northeast. Advantage used them to process their pharmacy claims prior to our acquisition and their subsequent merger with Qualmed Philadelphia. National pharmacy chain's claims are processed by NPA, therefore I contend, Micromedex is a nationally recognized drug data base company.
- 2. and and were re-negotiated last year using the Health Net California contract which contains the good AWP definition listed below and should allow us to use the Micromedex AWP. HNPS does not have the original contract on file, it is filed in Vibodland Hills. When Diane went to copy the AWP definition, she copied the IPS contract that we have on file here at HNPS used for Medi-Cat and Tricare. Sorry about the confusion but I think this illustrates our need to get the Universal Pharmacy contract in place. It has taken much to long!
- 3. We did not re-negotiate with processes last year and their contract is simply a two page letter of agreement without an AWP definition that should allow us to use Micromedex AWP.
- 4... Was not to negotiated test year and the only valid contract is on IPS paper with the bad AWP definition (listed below). We could send them a new definition page with the good AWP definition explaining we do not currently use FDB or we could ignore them.
- 5. Take was re-negotiated recently for HNNE and they did not want to use the APCS contract so they signed a Letter of Intent. AWP is not defined in this letter and should allow us to use Micromedex AWP.
- 6. was re-negotiated recently for HNNE and they did not want to use the APCS contract and also signed a Letter of Intent, so again, should allow us to use AWP from Micromedex.
- 7. I have a meeting to discuss the technical aspects of getting this new pricing process to work in the . APCS system on Tuesday next week at 8am. Scott Huddleston will be in the meeting and they have asked me to include anyone else from Health Net that should be involved. It will be a very technical discussion but anyone is welcome to join. We need to keep in mind that there is a window of time to purchase and aquire the Micromedex file. They also will need APCS to sign a document stating they will not be using their data for any other client. This will require APCS legal review (time?). APCS wants Health Net (HNPS) to sign a document that holds them harmless which will require legal review from our legal department (more time?).

Let me know if you have question. Ned

From

1.3 "Average Wholesale Price" means the average wholesale price for a prescription medicine as provided to HEALTH NET, no less than monthly, by First DataBank or by such other national drug

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database as HEALTH NET may designate.

#### From

 AVERAGE WHOLESALE PRICE (AWP): The average wholesale price as defined by First Data Bank and calculated from the medication standard package size (either 100's, pints or pounds, as applicable) listed in the National Data Drug File (Blue Book) from First Data Bank which is most recent as of the date the medication is dispensed.

### From

1.3 Average Wholesale Price: The average wholesale price for a Pharmaceutical Product as provided to Plan, no less than monthly, by "First DataBank" or by such other national drug database as Plan may designate.

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## **Exhibit J**

# UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA

-000-

NEW ENGLAND CARPENTER HEALTH BENEFITS FUND, ET AL.,

PLAINTIFF,

vs.

Case No. 05-CV-11148-PBS

FIRST DATABANK, INC. AND MCKESSON CORP.,

**CERTIFIED COPY** 

DEFENDANTS.

Deposition of FRANK SCORPINITI

Thursday, May 17, 2007

REPORTED BY: KATHLEEN WILKINS, RPR, CRR, CSR 10068

CERTIFIED REPORTING SERVICES (888) 747-9674

email: Info@certifiedreportingservices.com
 www.certifiedreportingservices.com

1 Α. Yes. 2 -- in the past, what time period were you 3 referring to? 4 Α. Oh, as far as I can recollect, I have been 5 managing any aspect of the pharmacy when margins as a 6 whole have been downward. 7 When you refer to "margins as a whole," does 0. 8 that include margins for prescription drugs? 9 Α. Yes. And thank you for that. 10 In clarification, my oversight has only been 11 in prescription sales. 12 All right. And during what time period have Ο. 13 you had responsibility for oversight of sales of 14 prescription drugs? 15 Α. In one capacity or another from 2000 until today. 16 17 And has the trend in profit margin for 18 prescription drugs earned by Longs been declining 19 throughout that whole period, 2000 to today? 20 Α. To the best of my recollection, yes. Do you have an understanding as to why profit 21 0. 22 margins earned by Longs on prescription drugs have been 23 declining in that time period? 24 Α. Aggressive reduction of reimbursement 25 rates from managed care have driven the downward trend

1 for the industry and for Longs. 2 And when you refer to aggressive -- actually, let me withdraw that. 3 4 So in your last answer you referred to managed 5 care. 6 Α. Yes. 7 0. What did you mean by that? 8 Α. I mean any -- what we call third party. 9 Anyone other than a patient paying for their prescription, be it a -- I think the lay public would 10 11 call it insurance. We might call it managed care or PBM 12 reimbursement. 13 So by insurance, you're referring to a company Ο. 14 like Blue Cross? 15 Α. Yes. 16 0. And you also mentioned a PBM. What is a PBM? 17 Α. Pharmacy benefit management company. And they 18 could -- many insurance companies use a PBM to 19 administer their drug plan, and those -- those PBMs 20 reimburse Longs for pharmacy services. 21 Ο. What percentage, if you know, by dollar volume 22 of Longs revenue on prescription drug sales in this 23 period that we're talking about comes from these third 24 party reimbursements? Objection. Vaque. 25 MS. MAHONEY:

```
1
              THE WITNESS:
                            Would you please restate your
 2
    question.
 3
              MR. FLUM:
                        Ο.
                            Of course.
 4
         Α.
              Or repeat it.
 5
         Q.
              Of course.
 6
              I'm focusing on the period where you've been
 7
    familiar with profit margins on prescription drug sales,
 8
    which I believe you said was 2000 to the present.
 9
         Α.
              Okay.
10
              In that period, can you tell me what
         Ο.
11
    percentage of the total reimbursements for prescription
12
    drug sales to Longs come from third party payors?
13
              MS. MAHONEY:
                            Objection.
                                        Foundation.
14
              THE WITNESS:
                            On the aggregate from the period
    of 2000 until today, it's in the 90 percent range.
15
16
              MR. FLUM: Q. All right.
17
         Α.
              And increasing.
18
              And over that same time period, what
19
   mechanisms have the third party payors used to reduce
2.0
    their reimbursements to Longs for prescription drugs?
21
              MS. MAHONEY:
                            Objection. Foundation.
22
              THE WITNESS:
                            My general understanding is that
23
    they use -- they reduce network rates. They can --
24
    actually, I'm going to ask you to be more specific in
25
    your question, because I want to make sure that I
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1
              THE VIDEOGRAPHER: Shall we conclude?
 2
              MR. FLUM: Let's go off the record for a
 3
    minute, please.
 4
              THE VIDEOGRAPHER: The time is 11:10. Off the
 5
    record.
 6
              (Whereupon, a recess was taken.)
 7
              THE VIDEOGRAPHER: Time is 11:11. On the
    record.
 8
 9
                FURTHER EXAMINATION BY MR. FLUM
10
              MR. FLUM:
                        Q. Mr. Scorpiniti, Ms. Mahoney was
11
    asking you questions about the difference in profit
12
    margins between brand prescription drugs and generics.
13
              Do you recall those questions?
14
         Α.
              Yes, I do.
15
         Q.
              Does Longs generally make money -- excuse me.
16
    Does Longs generally make more money on generic
    prescription drugs than on brand drugs?
17
18
         Α.
              Yes.
              And are Longs' profit margins higher on
19
         Q.
20
    generic prescription drugs than on brand prescription
21
    drugs?
22
         Α.
              Yes.
23
              Now, is it correct, based on your observations
24
    of the relationships between WAC AWP markups and managed
25
    care reimbursements in the period from 2000 to the
```

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1 present, that the overall rate of reimbursements by 2 managed care in that period were declining at a rate 3 faster than any increases in the WAC to AWP ratio? 4 Α. That's a very specific question. Not being 5 from that part of the organization, I cannot answer that 6 question with any certainty. 7 0. All right. And is it also correct that, not 8 being from that part of the organization, you really 9 can't say with any certainty whether the profit margins 10 for brand prescription drugs were improving relative to 11 reimbursements for managed care during any part of that 12 period? 13 Α. I can -- yes. I can say that, to the best of 14 my knowledge, the profit margins -- not specific to this 15 discount versus AWP, as you phrased your prior question, 16 but the resulting margins, for whatever the reason, have 17 declined over this period on brand drugs. 18 MR. FLUM: Thank you. I have nothing further. 19 MS. MAHONEY: I have nothing further. 20 THE VIDEOGRAPHER: The original videotape used 21 today in today's proceedings will be retained by 22 Benchmark Video. Thank you. We are off the record. 23 The time is 11:14. 24 (Deposition concluded at 11:14 a.m.) 25 -000-

### CERTIFICATE OF REPORTER

I, KATHLEEN A. WILKINS, RPR, CRR, A Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of the said witness was reported by me in shorthand writing and was thereafter transcribed by computer, under my direction and supervision; that the foregoing is a full, complete, and true record of said testimony; and that the witness was given an opportunity to read and correct said deposition and to subscribe the same. Should the signature of the witness not be affixed to the original deposition, the witness shall not have availed him or herself of the opportunity to sign or the signature has been waived.

I further certify that I am not of counsel or attorney for any of the parties in the foregoing deposition, nor in any way interested in the outcome of the cause named in said caption.

DATED: May 30 , 2007

KATHLEEN WILKINS, RPR, CRR, CSR 10068

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